



Arnold Schwarzenegger
Governor

July 9, 2010
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Mr. Jan Vogel, Executive Director
South Bay Workforce Investment Board
11539 Hawthorne Boulevard, Suite 500
Hawthorne, CA 90250

Dear Mr. Vogel:

AMERICAN RECOVERY AND REINVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the South Bay Workforce Investment Board's (SBWIB) financial management and procurement systems for activities funded by the American Recovery and Reinvestment Act of 2009 (ARRA) and Workforce Investment Act (WIA). This review was conducted by Mr. Larry Yanni from June 7, 2010, through June 10, 2010. For the Program Administration portion of the review we focused on the following areas: Workforce Investment Board (WIB) composition, Youth Council (YC) composition, and Oversight of the One-Stop system. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, cost/resource sharing, single audit and audit resolution policies and procedures for its subrecipients, and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by SBWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA and ARRA grant regarding financial management and procurement for PY 2009-10.

We collected the information for this report through interviews with representatives of SBWIB, a review of applicable policies and procedures, and a review of documentation retained by SBWIB for a sample of expenditures and procurements for PY 2009-10.

Mr. Jan Vogel

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BACKGROUND

For PY 2009-10, SBWIB was allocated: \$3,705,248 to serve 168 adult participants; \$4,566,915 to serve 204 youth participants; and \$4,463,083 to serve 229 dislocated worker participants.

For the quarter ending March 30, 2010, SWIB reported the following expenditures and enrollments: \$2,554,071 to serve 284 adult participants; \$3,624,827 to serve 423 youth participants; and \$2,747,122 to serve 552 dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, overall, SBWIB is meeting applicable WIA and ARRA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

We conclude that, overall, SBWIB is meeting applicable WIA and ARRA requirements concerning procurement.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is SBWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, federal and state regulations, and applicable state directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain SBWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Jennifer Shane at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Division

cc: Linda Patton-Finch, MIC 50
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